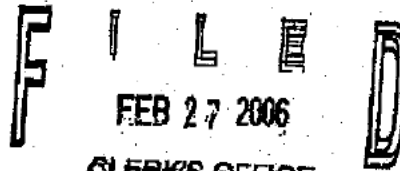


KWAME M. KILPATRICK, MAYOR  
CITY OF DETROIT  
EXECUTIVE OFFICE

February 27, 2006

The Honorable John Feikens  
District Court Judge  
U.S. District Court  
Eastern District of Michigan  
231 W. Lafayette Blvd, Room 851  
Detroit, Michigan 48226

77-71100



Dear Judge Feikens:

**Regarding:** Request for Order Approving Contracts Subsequent to Termination of  
Special Administratorship of Detroit Water and Sewerage Department

I write to you to request your assistance in ensuring compliance by the City of Detroit and the Detroit Water and Sewerage Department ("DWSD") with the Court's various orders and DWSD's NPDES permits. During my term as Special Administrator, I exercised my powers to the best of my abilities to ensure such compliance. In its January 5, 2005 Opinion and Order, the Court terminated the Special Administratorship, but recognized two of the key actions I took as Special Administrator: hiring (b)(6), (b)(7)(C) as DWSD's Director, and hiring Infrastructure Management Group (IMG) as a consultant to DWSD. I took the former action to comply, in part, with the Court's December 3, 2001 Order appointing me as Special Administrator, in which I was directed to find and hire a Director of DWSD, a position that had remained vacant for some time and, in part, to assist DWSD in addressing the causes of noncompliance with its NPDES permit, identified in the July 12, 1999 Report of the Committee of Investigation, and in accordance with the Court's February 7, 2000 Order Appointing Special Administrator.

I took the latter action to assist Director (b)(6), (b)(7) in improving the overall operation of DWSD in order to comply with its NPDES Permit as well as to satisfy the Court's November 25, 2002 Order Re: Contract Procurement Oversight. As the Court has recognized, these "two key decisions . . . have resulted in significant progress toward [DWSD's] compliance with the Clean Water Act."

During my term as Special Administrator, I also authorized DWSD to enter into a variety of contracts to assist DWSD in meeting what the Committee specifically identified as being one of the key objectives of DWSD's capital improvement program - to ensure "the scheduling and the funding of water supply and sewage disposal system projects that will alleviate (repair) service deficiencies, replace or extend a portion of the infrastructure, or existing infrastructure via major construction projects and/or the introduction of new technology." Among those contracts were a number aimed at replacing water mains in downtown Detroit that were in a serious state of disrepair and in urgent need of replacement.

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While all of the work under those contracts has been completed, change orders to three of those contracts (WS-650, WS-657 and WS-651) need to be issued to complete payment for unanticipated work (differing field conditions) performed. Contract WS-623 needs change orders in order to complete main replacement prior to MDOT street resurfacing. Contract DWS-812C needs a change order in order to complete work on our facilities in an expeditious and cost effective manner. Since I am no longer in a position to approve payment under the contracts I previously authorized, I require the Court's assistance to ensure the orderly transition of responsibility from the Special Administrator to DWSD.

Change Orders for the following contracts need to be approved:

	<u>Contractor</u>	<u>Amount</u>
WS-650	Ferguson Enterprises	\$ 170,767.00
WS-657	(b)(6), (b)(7)(C)	\$ 158,266.00
WS-651	Ferguson Enterprises	\$ 276,135.00
WS-623	Ferguson Enterprises	\$7,516,505.10
DWS-812C	L. D'Agostini & Sons	\$3,955,595.72

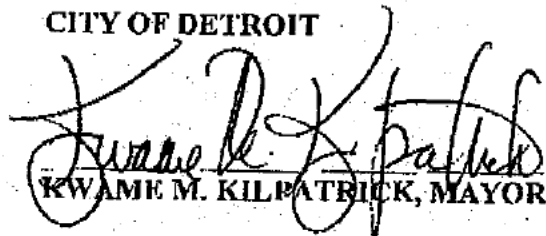
(b)(6), (b)(7) current contract expires at the end of this year. It needs to be amended to extend its term to ensure (b)(6), (b)(7)(C) continued service for the remainder of my current term in office. IMG's contract expired on December 31, 2005, although it was extended for a 120 day period by this Court's January 23, 2006 Order Approving Provisional Contract Extension for Infrastructure Management Group. I propose that the IMG contract be extended through the end of this year.

I am no longer in a position to uphold DWSD's obligations to make final payments under those contracts. For the reasons outlined in this letter, I ask that you issue an Order approving Amendments extending (b)(6), (b)(7) and IMG's contracts, and approving Change Orders to Contract Nos. WS-650, WS-657, WS-651, WS-623 and DWS-812C in order to complete those contracts and bring them to a close. As indicated in the attachment to this letter, the Detroit Board of Water Commissioners has approved all of the above contract amendments.

I appreciate your assistance in these regards.

Respectfully,

CITY OF DETROIT

  
KWAME M. KILPATRICK, MAYOR

Attachments